



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

WAR LABOR POLICIES AND THEIR OUTCOME IN PEACE

SUMMARY

Earlier resort to leaders of unions in American Federation of Labor, 322. — Compulsory arbitration not tried, 324. — The War Labor Board, 326. — Its principles, 328. — Shop Committees, 329. — The Railroad Administration's labor policy, 330. — The Wage Commission of 1918, 332. — The permanent Board of Wages, and other adjustment boards, 332. — Local shop committees, 334. — General aspects of the war developments, 336. — The three types of labor adjustment, 336. — The Federal Employment Service, 338. — Its development to the date of the armistice and its future, 340. — Conclusion, 342.

IN the issues of this Journal for November, 1917, and February, 1918, an account was given of the various methods which had been resorted to by the government for adjusting labor problems in war industries. The object of the present paper is to describe briefly the further developments which occurred during the last ten months of the war, and to consider these developments with reference to their bearing on labor problems and policies in time of peace.

A main theme in these earlier articles was that in order to accomplish any approximate stabilization of war labor conditions without compulsory arbitration, the government should control all contractors in war industry through provisions in the contracts limiting the contractors, under heavy penalty, to the payment of maximum scales of wages, these scales to be changed from time to time uniformly in any given industry by governmental adjustment boards, on which representatives of labor would sit. But it was pointed out that

the government could, by exercising its war power, effect this arrangement through recalling and modifying its outstanding contracts, and also its sub-contracts. Under the conditions of increasing labor shortage after February, 1918, the control most needed continued to be not that of the workers, but that of employers engaged in war industry. Such control did not emerge, either through government contracts or otherwise. The contractors continued to bid against each other for the labor supply, and an unrest developed among the workmen which seriously interfered with efficiency in production, and would doubtless have badly hampered war industry but for the motives of patriotism in all ranks of labor, organized and unorganized. It must be confessed that the national leaders of the American Federation of Labor did not in general exercise sufficient influence during those months to control their local unions in the disturbing conditions caused by the mounting competition of employers for the available labor.

Just why the influence of the national leaders in the American Federation of Labor did not prove more effective in dealing with the situation is not altogether clear; yet some of the reasons are evident. During 1917 the national union leaders had voluntarily undertaken great obligations and responsibilities by entering into written agreements with the government in which they pledged themselves and their organizations to a war-time production uninterrupted by strikes, and to the adjustment of labor disputes by representative arbitration which would be binding and final. In cantonment construction, in shipbuilding, and in general at the seaports, these written agreements forced the union leaders to assume such a vigorous leadership as greatly to increase their influence. Personal responsibility begets effort.

The particularist tendencies in unionism were checked, and the constituent national and international unions became centralized as never before in the Washington office of the American Federation of Labor.

It was intended that this method of adjustment should be extended from cantonments, shipbuilding, and the ports, over all war industry, together with the necessary concomitant of that method, namely, the control of contractors through maximum wage scales in the contracts. A preliminary memorandum, looking to an adjustment arrangement covering all munitions and supplies production, was tentatively signed by a number of union leaders in November, 1917. It is not unreasonable to believe that such a system, if carried out, would have led to a fairly satisfactory stabilization of labor. To the written pledge of the few union leaders involved in the earlier agreements, would have been added the written pledge of the many leaders whose members were interested in munitions and supplies production. But this form of contract control did not develop. Nor did the arrangements for a comprehensive adjustment board, based upon official pledges of all the national presidents with jurisdiction over production of all munitions and supplies, ever progress beyond the preliminary stage. Both of these projects encountered the baffling obstacles presented by government departments which were themselves bidding against each other for labor supply, and whose representatives could not agree upon a common course.

It was at this juncture that the current of labor adjustment in war industry became diverted into a new channel. In the new fields of war industry the international presidents did not become personally pledged in writing to agreements against strikes by members of their respective unions and to arrangements for adjust-

ment. This feature was absent in the National War Labor Board and in the Railroad Administration's system of labor control, both of which we shall examine directly. Thus was arrested a distinctive process of strengthening and centralizing the influence of the American Federation of Labor. Whether these leaders, if they had been so pledged, could have succeeded in such a great task of control and coöperation is a question which can never be answered. One thing is certain: that through this divergence from the method of labor adjustment which had obtained earlier in the war, the American Federation of Labor in the later months of the war lost the further development of that element of strength which came from the necessity of meeting these written pledges.

It will always be an interesting query whether, if the war had continued for a considerably longer period, some form of compulsion would have been adopted by the government. It is true that in the latter part of the year 1918 the strikes in Great Britain showed that compulsory arbitration does not always compel. But there were during the last months of the war signs that part of general public opinion in this country was beginning to favor some form of official duress, and that many of the union leaders, feeling their own control inadequate, would not have been opposed to such a course. In the middle of August, 1918, an attempt to make participation in a labor strike ground for a draft registrant's losing the benefit of his deferred classification was defeated in Congress. But only a month later, on September 13, the President in his handling of the Bridgeport strike invoked what was in effect governmental compulsion. The War Labor Board, having been unable to agree upon a decision with reference to the machinists' complaints at Bridgeport, had unan-

imously agreed upon an umpire to decide the questions at issue. The machinists, through the Bridgeport locals, had submitted their dispute to the umpire for arbitration; and the local organization, District Lodge No. 55, was now refusing to accept his award. The President, in an open letter addressed directly to the lodge, reviewed the situation briefly and closed with the following paragraph:

Therefore, I desire that you return to work and abide by the award. If you refuse, each of you will be barred from employment in any war industry in the community in which the strike occurs for a period of one year. During that time the United States Employment Service will decline to obtain employment for you in any war industry elsewhere within the United States, as well as under the War and Navy Departments, the Shipping Board, the Railroad Administration, and all other government agencies, and the draft boards will be instructed to reject any claim of exemption based on your alleged usefulness in war production.

A few days after the letter was published, the strikers at Bridgeport returned to work. A striker with that letter staring him in the face was practically under governmental compulsion. And yet neither in the issue of the American Federation's weekly news letter following the affair, nor in the October issue of the *Federationist*, nor in the subsequent issue of the machinists' official organ, the *Machinists' Monthly Journal*, was the President's course adversely criticized.

The indication of the whole trend of events seems to be that the national leaders in the American Federation in the latter part of 1918 were losing rather than strengthening their hold upon the local unions. The public on the other hand was reaching the conclusion, largely shared by many national labor leaders, that wages in war industries had advanced sufficiently to satisfy just demands; and that in view of the adjustments which could be expected from the War Labor

Board, interruptions to war industry by strikes were intolerable. Under such circumstances some sort of system for compulsory settlement of war labor disputes might have developed in America if the war had continued through 1919.

Two important labor adjustment agencies came into existence during the final ten months of the war — the National War Labor Board and the Railroad Administration's system for determining wages and conditions. In neither of them did the pledge of the international presidents to continuous production by the members of their respective unions appear as the foundation of control.

The President created the War Labor Board by proclamation on April 8, 1918. In February the Secretary of Labor had requested the managing directors of the National Industrial Conference Board, an employers' organization, to name five representatives of employers, and had also requested the President of the American Federation of Labor to name five representatives of labor; these ten men were to compose the War Labor Conference Board, which was to make recommendations for some system of labor adjustment and administration. The Board thus formed was augmented by Ex-President Taft, chosen to act as counsel for the employer group, and by Mr. Frank P. Walsh, formerly Chairman of the Federal Commission on Industrial Relations, acting similarly as counsel for the employee group. On March 29, 1918, this Board made to the Secretary of Labor its recommendation that there be established immediately a National War Labor Board of the same number and selected by the same agencies, "to promote and carry on mediation and adjustment in the field of production necessary for the effective conduct

of the War," except "where there is by agreement or by Federal law a means of settlement which has not been invoked." This recommendation was accompanied by a statement of principles (to be examined presently) agreed to unanimously by the Conference Board. On April 8, 1918, the President issued his proclamation formally establishing the War Labor Board.

On this new agency for labor control were five representatives of the American Federation of Labor, of whom two were international presidents, sitting in joint control of labor standards. Among the principles announced by the Conference Board in its report of March 29, was the statement: "There should be no strikes or lockouts during the war," — a principle to which the labor members of the National War Labor Board must be held to have committed themselves when they accepted appointment under the President's proclamation. But Mr. Johnston's adhesion to this principle as a "representative of labor" on the Board was very different from the same man's direct written pledge in the shipbuilding agreement, in his capacity as president of the International Association of Machinists, that disputes "shall" be submitted to an adjustment board and that "the decision of the board will, in so far as this memorandum may be capable of achieving such result, be final and binding upon all parties." It will be remembered how in October, 1917, several international presidents in the metal trades, bound by this written pledge, went on their own initiative to the Pacific coast, and, pitting their strength against a group of local union leaders, forced the return to work of employees in the shipyards at Seattle pending a consideration of their dispute by the Shipbuilding Labor Adjustment Board. If the national union leaders had been behind the National War Labor Board with similar pledges the

drastic action by the President in the Bridgeport case probably would never have been necessary.

But the National War Labor Board, altho it did not undertake through the medium of specific pledges, to strengthen the group of international presidents as an agency for control, did operate to strengthen immeasurably the general position of unionism in America. The President in his proclamation of April 8, 1918, declared that the War Labor Board was to observe the principles specified in the report of the War Labor Conference Board. Among the principles laid down in the Conference Board's report and thus made by the President's proclamation a basis for the work of the War Labor Board, were the following:

1. The right of the workers to organize in trade-unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the employers in any manner whatsoever.
2. The right of employers to organize in associations of groups and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the workers in any manner whatsoever.
3. Employers should not discharge workers for membership in trade-unions, nor for legitimate trade-union activities.
4. The workers in the exercise of their right to organize shall not use coercive measures of any kind to induce persons to join their organizations, nor to induce employers to bargain or deal therewith.

.

1. In establishments where the union shop exists the same shall continue and the union standards as to wages, hours of labor, and other conditions of employment shall be maintained.

2. In establishments where union and nonunion men and women now work together, and the employer meets only with employees or representatives engaged in said establishments, the continuance of such condition shall not be deemed a grievance. This declaration, however, is not intended in any manner to deny the right or discourage the practice of the formation of labor unions, or the joining of the same by the workers in said establishments, as guaranteed in the last paragraph, nor to prevent the War Labor Board from urging, or any umpire from granting, under the machinery herein provided,

improvement of their situation in the matter of wages, hours of labor, or other conditions, as shall be found desirable from time to time.¹

Two ideas, namely, the right of workers to organize, and the shop committee idea, i. e., the meeting of employers with committees of the workers, were carried out in far-reaching ways during the few months of the War Labor Board's activity. As regards the recognition of the unions, the Board continuously refused to require an employer to enter into a contract with a union, as such, except in instances when a union contract had been in force prior to the submission of the controversy. The right of workmen to organize was sustained repeatedly. On August 1, in the Columbus Street Railway adjustment, the Board upheld the right of employees to display the union button; it frequently ordered the reinstatement of men discharged for union activities; it repeatedly discountenanced the individual restrictive contract with employees, and instead expressed itself in favor of the collective agreement.

The shop committee was promoted by the War Labor Board at every opportunity as the proper agency for collective bargaining. In some cases the form of this promotion did not go further than the bare finding that the employers must deal with committees of the workmen. In other cases the Board went so far as to prescribe the way in which the committees of the workers should be selected, as for instance in the following:

10. Election of Committees.

The election by the workers of their representative department committees to present grievances and mediate with the company shall be held, during the life of this award, in some convenient public building in the neighborhood of the plant, to be selected by the examiner of this board assigned to supervise the execution of this award, or, in the case of his absence, by some impartial person, a resident of

¹ Monthly Review, U. S. Bureau of Labor Statistics, May, 1918, pp. 56, 57.

Pittsfield, to be selected by such examiner. Such examiner, or his substitute, shall preside over the first and all subsequent elections during the life of this award, and have the power to make the proper regulations to secure absolute fairness.

In the elections the examiner shall provide, wherever practicable, for the minority representation by limiting the right of each voter to a vote for less than the total number of the committee to be selected. Elections shall be held annually.¹

This sketch may suffice to indicate the scope of the War Labor Board and the nature of its work. As a force for industrial peace and continuity of production in war, it played a notable part. Unquestionably such restraining influence as it was able to exert was due in the main to the spirit both of employers and employees during the national emergency. What use can be made in the coming period of its basic principles and of its technique is a question. The extent to which labor groups are willing to be controlled in their collective bargaining will in the last analysis determine the issue. Possibly they will agree to governmental control when its exercise is vested partly in their own national representatives. The shipbuilding type of labor adjustment, based on the pledge of the leaders of the national unions, gives promise of being used in peace time. In it lie perhaps the germs both of a sound democratization of labor control and of a conscious collective responsibility of labor to the community at large. But this, as well as the War Labor Board's work itself, is mainly educational. Both have broken down some of the barriers between management and labor.

The other important adjustment machinery developed by the government during the last ten months of the war, namely, that in the Railroad Administration, is of considerable magnitude. As distinguished

¹ Findings of joint chairmen as arbitrators in re *Employees v. General Electric Co., Pittsfield Works*, July 31, 1918.

from the somewhat more fortuitous machinery of the War Labor Board, it was planned in advance with great thoroughness. The outstanding features of the labor administration of the railroads are, first, the laying of a foundation of standard wages and working conditions in advance by a board composed exclusively of government appointees, not one of whom was a representative of labor; second, the omission of mention, in the basic documents, of a union or a union standard, altho the system for further standardization and for adjustments in individual cases is largely dependent upon the action of persons selected from among the unions for service as officials; and third, the right of appeal to the Director General, from the decisions of the boards whose function it is to change the basic standards and to interpret and apply them. These boards are made up equally of representatives of capital and labor, and their decisions must in any event be approved by the Director General; they are thus reduced to the status of agencies merely advisory.

Altho the standards thus established and the scope allowed to the unions have greatly improved the relations between labor and management, the arrangements leave labor no final voice in the determination of standards. As compared with the War Labor Board, the labor adjustment system in the Railroad Administration, from the point of view of institutional development, is distinctly conservative.

So much by way of general analysis. The steps taken in creating this important system of railroad labor adjustment were in detail as follows. At the very outset of his administration, the Director General had averted certain threatened strikes by entering into preliminary arrangements with union leaders.¹ On January 19,

¹ See this Journal for February, 1918, p. 362.

1918, a few days later, he appointed a Railroad Wage Commission, of four men — Secretary Lane of the Department of the Interior, Charles C. McChord of the Interstate Commerce Commission, J. Harry Covington, Chief Justice of the Supreme Court of the District of Columbia, and William R. Wilcox, of New York. The Commission was directed to “ make a general investigation of the compensation of persons in the railroad service, the relation of railroad wages to wages in other industries, the conditions respecting wages in different parts of the country, the special emergency respecting wages which exists at this time owing to war conditions and the high cost of living, as well as the relation between different classes of railroad labor.” On April 30, 1918, this Commission made its report. It took account of all railroad employees, whether manual or clerical, receiving less than \$3000 per annum. It found that “ the man who received \$85 a month on January 1, 1916, now needs 40 per cent additional to his wage to give him the same living that he had then.” It recommended a detailed sliding scale of increases, under which, for instance, an employee receiving \$50 per month would receive an increase of \$21.60; a \$150 per month employee, an increase of \$24.25; and a \$245 per month employee, an increase of \$5.00.

On May 25, 1918, the Director General of Railroads adopted in the main this sliding scale basis of increase as recommended by the Wage Commission and at the same time established the Board of Railroad Wages and Working Conditions, naming its six members, three of whom are railroad officials and three trade union officials. This Board was to investigate inequalities effected by the new scale, competition with employees in other industries, and rules and working conditions. By the terms of the order creating it, it was to be solely

an advisory body and was to submit its recommendations to the Director General for his determination. Its activity has consisted largely in making decisions on interpretations of the orders and rulings of the Railroad Administration respecting labor.

In addition to this general board, other agencies have been set up for the several groups of employees. Three separate boards of adjustment have been established, each composed of eight members, of whom four are designated by the railroad managements and four by the unions interested in the jurisdiction of such board. Board No. 1 has to do with "train service employees," such as engineers, firemen, conductors, trainmen, switchmen — employments covered by the "Big Four," or Railroad Brotherhoods. Board No. 2's jurisdiction is over the railroad shops — employments covered by the "Mechanical Department of the Railway Employees Department" of the American Federation of Labor. Board No. 3 is concerned with telegraphers and maintenance-of-way clerical and station employees. To a fourth board are left on appeal such local disputes as do not come up through channels of organized labor. It consists of the two assistant directors of the Division of Labor — the first for a number of years a government officer as a member of the United States Board of Mediation and Conciliation, the second until recently a president of one of the metal trades international unions. Finally, grievances of women workers follow a fifth course, being handled directly by the Director of the Division of Labor.

Besides having for their bases in general a wage scale increase determined upon by the Wage Commission, Adjustment Boards Nos. 1, 2 and 3 have for their guidance certain direct agreements between the Railroad Administration and union officials. Thus on March 22,

1918, the three regional directors entered into a written agreement with the chiefs of the four Brotherhoods (the "Big Four") that the wages and hours as determined by the Director General were to be incorporated into existing wage agreements between the railroads and the Brotherhoods; and that "matters of controversies arising from interpretations of wage agreements shall be decided by the Railway Board of Adjustment." Adjustment Board No. 2, with jurisdiction over grievances of the "Railroad Shopmen" of the American Federation of Labor, was, like Adjustment Board No. 1, arranged for before the standardization of wages by the Wage Commission had been announced. On February 20 the Director General and this union group, through its president, entered into an agreement under which, irrespective of existing agreements to the contrary, relaxation might be effected in working hours in cases of necessity, and also changes in the conditions under which the ratio of helpers and apprentices to journeymen might be increased. Up to the present time Board No. 1 has decided about 400 cases, Board No. 2 about 100, and Board No. 3, established in the middle of November, only a few.

But probably the most important contribution of the Railroad Administration's labor adjustment system has been its successful promotion of local shop committees. The March 22 agreement with the Brotherhoods contained the following provision about the handling of grievances:

10. Personal grievances or controversies arising under interpretation of wage agreements, and all other disputes arising between officials of a railroad and its employees, covered by this understanding, will be handled in their usual manner by general committees of the employees up to and including the chief operating officer of the railroad (or some one officially designated by him), when, if an agreement is not reached, the chairman of the general committee of

employees may refer the matter to the chief executive officer of the organization concerned, and if the contention of the employees' committee is approved by such executive officer, then the chief operating officer of the railroad and the chief executive officer of the organization concerned shall refer the matter, with all supporting papers, to the Director of the Division of Labor of the United States Railroad Administration, who will in turn present the case to the Railway Board of Adjustment No. 1, which board shall promptly hear and decide the case, giving due notice to the chief operating officer of the railroad interested and to the chief executive officer of the organization concerned of the time set for hearing.

11. No matter will be considered by the Railway Board of Adjustment No. 1, unless officially referred to it in the manner herein prescribed.

12. In hearings before the Railway Board of Adjustment No. 1, in matters properly submitted for its consideration, the railroad shall be represented by such person or persons as may be designated by the chief operating officer, and the employees shall be represented by such person or persons as may be designated by the chief executive officer of the organization concerned. (U. S. Railroad Administration, General Order No. 13.)

Substantially similar rules govern all appeals for adjustment by the adjustment boards. Bona fide resort to shop committee procedure is required before the assistance of the Director of the Division of Labor can be invoked. The result has been that the vast majority of grievances never reach him, and that local railroad management and local railroad labor over the country are becoming to an increasing degree habituated to frank, thoro discussion of grievances and to their equitable and amicable adjustment.

As might be expected, the exercise by the railway unions, both manual and clerical, of these important advisory functions in railroad labor policies has greatly increased their membership and influence. Railroads upon which unionism had never obtained a real foothold prior to 1918 have seen the establishment of unions or their great increase. This has been particularly true of the railroad shopmen and of the clerks.

In any endeavor to appraise the developments in labor adjustment during the war for their effect upon after-war conditions, we are confronted with so many variables, both political and industrial, that no estimate can be made with assurance. But we may take the features of control in the order of their apparent chances of survival. The local shop committee has been planted so well and so broadly throughout industry by these various governmental adjustment agencies as hardly to seem eradicable. Promoted from the outset by the Shipbuilding Labor Adjustment Board, later by the President's Mediation Commission in the Arizona Copper district, and in the packing establishments, firmly established subsequently by the War Labor Board in widely divergent fields of industrial activity which had never known its use, and finally made a thoroly integrated part of a machinery for adjustment extending over the entire American railroad system, the shop committee has secured a strong position. And it has on the whole been accepted by organized labor with willingness. Is it not likely to prove a permanent element, fixed in American industrial life by the events of the war? ¹ Whatever reaction is to be expected toward pre-war industrial relations could hardly sweep away a method so widely employed and in essence so akin to the genius of American institutions.

But as regards final appeal in disputes, and restraint during and after adjudication — how will these develop after the war? Of the three principal new types of machinery which were evolved during the war, only one was designed both to handle disputes and to supply with some effectiveness the element of restraint in the use of

¹ A significant indication is the establishment on January 7, 1919 of a thorogoining system of shop councils, with a joint board of appeal, by agreement between the Bethlehem Shipbuilding Corporation and the Metal Trades' Department of the American Federation of Labor.

the strike, namely, the Shipbuilding Labor Adjustment Board type. Here the chief union representatives agreed, each for his union, that production would be continuous, both during and after adjudication. But the motives which made this arrangement possible have no equivalent which is apparent at this time and which would induce the unions to bargain away their chief weapon, the strike. And yet, if they should be given an equal voice with the employer in the determination of labor standards, it cannot be said that some such political-industrial arrangement is impossible.

As regards the establishment of quasi-judicial machinery for wage determination, the three types which emerged under war conditions varied in important particulars. The three types are the War Labor Board, the shipbuilding arrangement, and the railroad adjustment system. In the first two, management and labor both placed the settlement of their disputes in the hands of a board on which the opposing interests were equally represented. In the War Labor Board no method was devised for breaking a deadlock between the two sets of representatives; they were forced to reach some sort of settlement, and the advantage naturally tended to remain with the labor group, which retained its right to strike. In the shipbuilding type, on the other hand, a supposedly neutral member, appointed by the government, cast the deciding vote. Finally, in the railroad adjustment system, disputes were left to a board again constituted of an equal number of representatives from both sides, but established directly by the railroad management itself; the railroad management moreover reserved and continues to reserve final decision for itself; it has in its own hands the control of labor standards. In any event we may expect the wage board of the future to be more independent of the management

than is the Railroad Administration type today. As between the balanced board and the board in which a neutral member turns the scale, the issue might perhaps come to depend upon the political strength of labor, if the government should continue to promote adjustment of industrial disputes.

Quite a different development, as to after-war survival, is that of the Federal Employment Service. As a federal agency for stabilizing employment for labor it is evidently marked for survival in some form. The final establishment of this work has not been by means of executive action or by semi-official emergency agreements, but through the firm basis of statute.

The statute of 1913 creating the Department of Labor set forth the activities in which it could engage — immigration and naturalization, labor statistics, and mediation. There was no mention of labor exchange work, despite the fact that unemployment was then a pressing problem and that a number of the states, following European example, were establishing state employment agencies. Doubtless one reason for this omission was the uncertainty of legal justification which must be faced by any federal activity, other than transportation, which undertakes to operate within a state. Obviously, an employment office operating at a given point could hardly limit itself to interstate operations by placing applicants in positions in other states only.

Unemployment relief, however, made its own way into the Department of Labor without the aid of Congress. During the three years preceding 1917, the Secretary of Labor made the Bureau of Immigration the vehicle for an employment service which established offices at a number of points and gave useful service, operating generally apart from the state and municipal

agencies. The entrance of the United States into the war, however, and the consequent serious problems of labor supply, brought the local and federal agencies together, especially after October 6, 1917, when Congress for the first time recognized this extra-legal work of the Department, and impliedly sanctioned it, by appropriating \$250,000 for its prosecution. The President out of his own emergency fund allotted the further sum of \$825,000.

It was high time for Congress to take a hand in the labor exchange situation. Two disturbing factors particularly called for general direction and management, free from private and local interest. Out of the unprecedented scramble for unskilled labor had emerged the phenomenon of state laws which prohibited the employing of persons in one state to work in another. Altho laws of this form were clearly unconstitutional and were eventually held to be so, they were not without effect, and occasionally prevented the natural flow of labor to the points where it was most needed. The prosecutions, the summary exercise of local authority, and the violent activity at various points, especially in the South, directed toward preventing the departure of negro laborers, would make an interesting chapter in American war labor history. The other element contributing to the confusion was the private employment agency. The pernicious practices often attendant on this business had largely influenced the establishment of the public agencies, and also the enactment of the embargo laws on the exportation of labor. In the state of Washington a few years ago a law was enacted designed to bring about the extinction of such agencies. Tho held unconstitutional by a divided United States Supreme Court, the terms of the decision were such as probably to leave the way open for state laws which

would effect the same purpose. The private agencies by their irresponsible methods of advertisement and solicitation became, as the war progressed into 1918, an increasing source of disturbance.

On March 28, 1918, following up its action in the preceding October, Congress appropriated \$250,000 "to enable the Secretary of Labor to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war," and on July 1, 1918, took the decisive step of appropriating five and a half million dollars to be available for employment service. With such support, and with the urgency of the labor supply problem, the United States Employment Service — with its multitudinous employment offices at principal industrial points; its supplementary recruiting arm, the Public Service Reserve, reaching out into smaller communities; its Farm Service Division; its Women's Division; and its Boys' Working Reserve — had by the autumn of 1918 built up a huge if cumbrous machine and had materially assisted in the adjustment of the labor supply.

The position of the Employment Service was much strengthened when the President on June 17, 1918, issued a proclamation, in which he called upon employers over the country, engaged in war work, not to recruit unskilled labor through any private agency but, beginning with August 1, to rely upon the federal service. A great effort was begun to organize the service up to taking on this responsibility, offices being established in great numbers. At the same time the War Labor Policies Board, a council in the Department of Labor composed of representatives of the various federal war agencies, planned the geographical distribution of industrial committees all over the country,

and the creation for each community of a labor board. These community labor boards were to be boards of three, the chairman being the local representative of the Employment Service, and his associates selected one by the employers, and one either by the organized workers of the community, or in the absence of an organization by unorganized workers. Each board was to work under the general direction of the Public Service Reserve director for the state, in recruiting and distributing labor in each community. The principal objects behind this plan were first that the needs of the great war industries for common labor should be met by drawing to a considerable extent upon the less essential and non-essential industries, and second that through a central machinery, run without the motive of private interest, placements of men could be made with sufficient care to fitness to cut down the mounting index of labor "turn-over." Altho the plan was based entirely upon voluntary appeal, it effected at once a considerable decline in the use of newspaper advertising and of private agencies in recruiting labor, and had good results in the number of laborers obtained.

Altho the plan was never extended to skilled labor, the larger newspapers and industries of the country co-operated with the Employment Service by referring all applicants answering their advertisements to the United States Employment Service and by not advertising their wage rates publicly as inducements. But the activities of the private agencies and of the recruiting managers of large plants continued with no abatement, and with them the progressive, almost furious, contest in competing wage rates.

Such was the Employment Service in November, when the news of the armistice descended upon America. This agency, in its infancy in the spring of 1917, with

no real legal status or financial support, had become eighteen months later the great official labor supply agency of the country. The state employment services, even those which had attained some degree of stability and usefulness, had lost, temporarily at least, their influence.

What will be the future of this branch of federal service? It would seem that nothing short of an incredible reaction toward decentralization could push the Department of Labor back to its old position. It will be remembered that the American Association for Labor Legislation in the winter of 1917-18 was promoting a bill to bring about a partnership between the federal government and the states in the operation of employment changes. Another bill of similar nature is now proposed or pending. But the idea of exclusively federal activity in this field has in the meantime gained such momentum, that the new bill will have to meet the attacks both from the believers in unhampered state powers and from the reinforced adherents of exclusive federal control. Whatever the outcome, it will certainly bring with it the establishment of an important labor exchange function in the Department of Labor. And it would seem safe to predict that the federal government's work in this service will in the next decade become progressively of more importance.

The contrivances for labor control and adjustment discussed in this paper and the two preceding are the outstanding labor developments of the war. They grew in the main spontaneously, separately, without emanating from any central plan. Most of them were late in being created. The government contracts were never so administered as to make possible any real steadying of the labor situation. Had it not been for real faith among

the workmen in the President's sincere and wise concern for their welfare, and for the patriotism which checked class issues as the war progressed, the success of the several arrangements would have doubtless been far less than it was. What might have happened during another year of war is mere matter for speculation. We can at any rate say that the grave issue of compulsory arbitration was avoided; that employers and leaders of organized labor, through the agency of the federal government, in thousands of instances conferred together over wages and conditions, both in the shops and in higher joint tribunals; and that some of the principles which have been established seem to have in them too much of value to stand in danger of being lost.

LOUIS B. WEHLE.

WASHINGTON D. C.